USING LANDFILL GAS IN A GREEN PRICING PROGRAM

OMAHA PUBLIC POWER DISTRICT

- **Publicly-owned electric utility.**
- **Serves more than 280,000 customers in Southeast Nebraska.**
- **Organized as a political subdivision of Nebraska in 1946.**

LFG TO ENERGY PROJECT

- **Douglas County Recycling and Disposal Facility located approximately 20 miles northwest of Omaha.**
- **Adequate landfill gas supply for 3.2 MW with potential for 6.4 MW in the near future.**
- **Landfill gas available for more than 20 years.**
- **At 3.2 MW facility will supply 2000 homes on an annual basis.**

PROJECT ORGANIZATION

- **OPPD will provide capital and own the facility.**
- **Waste Management of Nebraska will engineer, procure, and construct the facility.**
- **Waste Management of Nebraska will operate the facility.**
- **OPPD will pay Waste Management of Nebraska for fuel and non-fuel operating costs.**

PROJECT COSTS

- **Capital costs - $4,028,000.**
- **Communications, distribution system upgrade, and OPPD personnel costs - $565,000.**
- **Total Cost $4,593,000 or $1,511/kW (net).**

GREEN POWER INTEREST STUDY

- **Assess residential customer interest in a green power program.**
- **400 residential interviews.**

STUDY OBJECTIVES

- **Assess awareness of green power.**
- **Determine level of interest in purchasing green power.**
- **Determine preferred pricing plans.**
- **Explore willingness to sign long term contract.**

OPPD LANDFILL ENERGY PROGRAM
Recycling Waste to Watts

AWARENESS OF GREEN POWER

- **42% yes**
- **56% no**
- **2% don’t know**

AWARENESS OF GREEN POWER

- **Once explained landfill gas is the most appealing and favorable type of green power compared to both solar and wind with solar being the least appealing of the energy types.**
- **OPPD has developed a comprehensive education and marketing plan to increase customer knowledge of the benefits of landfill gas of energy.**

LEVEL OF INTEREST IN PURCHASING GREEN POWER

- **Very Interested** **16%**
- **Somewhat Interested** **47%**
- **Not Very Interested** **18%**
- **Not at all Interested** **15%**
- **Don’t Know** **4%**

PREFERRED PRICING PLAN

- **Pay a fixed rate for kWh blocks 46%**
- **Pay additional amount for each kWh 38%**
- **None 9%**
- **Don’t Know 6%**

GREEN POWER ENROLLMENT

- **51% of customers say they would participate in the green power program at a preferred level and price.**
- **36% of customers say they would not participate.**

TERM OF GREEN POWER ENROLLMENT

- **50% of customers felt that one year term reasonable.**
- **16% of customers felt that three year term reasonable.**
- **8% of customers felt that five year term reasonable.**
- **4% of customers felt that ten year term reasonable.**

GREEN POWER RATE STRUCTURE

- **SUPPORTER - $4.50 per month (Represents typical residential consumption for 5 day/month or 60 day/year).**
- **PROMOTER - $7.50 per month (Represents typical residential consumption for 8 day/month or 96 day/year).**
- **PATRON - $15.00 per month (Represents typical residential consumption for 15 day/month or 180 day/year).**
- **SPONSOR - $30.00 per month (Represents typical residential consumption for 30 day/month or 360 day/year).**
- **Rate based on a premium of 3¢ per kWh.**

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PARTICIPATION

- **Program participation anticipated to range from 1 to 5 percent.**
- **Approximately 1% at end of first year of program.**
- **Approximately 5% at the end of 8 years.**

DECISION PROCESS

- **Acceptable internal rate of return with the green power premium.**
- **With lower participating internal rate of return lower but still profitable.**
- **Fairly competitive with our higher cost generating units.**
- **With REPI payments - very competitive with most base load units in the industry.**